



Notice of Contract Purchase Agreement

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
CAPITOL HILL
PROVIDENCE RI 02908

V E N D O R	31486 PINPOINT PROFIT RECOVERY SERVICES INC 800 SUMMER ST STE 510 STAMFORD, CT 06901
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ACCOUNTS PAYABLE AUDIT SERVICES (MPA-385)	
Award Number 3065919	Effective Period: 01-JAN-08 - 31-DEC-10

S H I P T O	MASTER PRICE AGREEMENT SEE BELOW RELEASE AGAINST,RI MPA United States
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Date:	10-JAN-08
Buyer:	J Moynihan
Shipping:	Paid
Terms:	NET 30

I N V O I C E	MASTER PRICE AGREEMENT SEE BELOW RELEASE AGAINST,RI MPA United States
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Department	Type of Requisition	Bid Number	Requisition Number
		7024762	

BLANKET REQUIREMENTS: 1/1/08 - 12/31/10

MASTER PRICE AGREEMENT #385

ACCOUNTS PAYABLE AUDIT SERVICES PER ATTACHED PRICING

STATE CONTACT:
LAWRENCE FRANKLIN
TELEPHONE: 401-222-6731

SUPPLIER CONTACT:
ROBERT LOVALLO
TELEPHONE: 203-348-9700
FAX: 203-353-4343

James M. R.
1/16/08

This Notice of Award/Purchase Order is issued in accordance with the specific requirements described herein and the State's Purchasing Regulations and General Conditions of Purchase, copies of which are available at www.purchasing.ri.gov. Delivery of goods or services as described herein shall be deemed acceptance of these requirements.

Professional Service Agreement

Agreement between **Pinpoint Profit Recovery Services, Inc.** located at 800 Summer Street, Suite 510, Stamford, Ct. 06901 (hereinafter referred to as the "Firm"), and the **State of Rhode Island and Providence Plantations**, located at One Capitol Hill, Providence, RI 02908 (hereinafter referred to as the "Client").

In consideration of the mutual promises and conditions, Firm and Client agree herein as follows:

1. SCOPE OF SERVICES

During the term of the Agreement, Firm will perform an audit of Client's disbursements, including verification of price terms and conditions, and other related regulatory matters in order to identify, and recover overpayments on behalf of the Client (the "Services") and as specified in RFP 7024762. Client will provide Firm with disbursement data for the last three fiscal periods. Firm will use its proprietary **Pinpointer**™ technology to review Client's transactions and create the audit tools and analytical reports needed to perform an efficient and effective audit.

Firm's major objective will be to identify overpayments made by Client when paying Client's invoices for inventory, supplies, services, capital projects, and other expenses. The audit will identify payment errors including, but not limited to the following items: duplicate payments, wrong vendor payments, pricing errors, missed discounts or rebates, unrecorded purchase returns, and other recoveries creating an economic benefit for the Client. Client will notify Firm in advance if there are any particular areas to be excluded from the Services.

The Services will be performed on a contingency basis. Firm's earnings from the Services shall be based on a percentage of the recoveries made by Firm on behalf of Client. Firm shall bear all of the incidental expenses and costs associated with performing the Services hereunder, including without limitation travel, lodging and meals, as well as the expenses associated with management reporting and data analysis. Firm will pull and re-file all supporting documentation required to validate each recovery with Client's vendors, and will require minimal support from Client's staff. The Services shall include all previous time periods up to, but not including, 90 days prior to the commencement of the audit. However, the 90 days shall be a moving period of time based upon the length of the audit.

2. PAYMENT RATES AND BILLING TERMS

As the sole compensation for the Services to be performed by Firm hereunder, Client will pay Firm according to the following fee schedule:

<u>Gross Dollars Recovered</u>	<u>Client's Share</u>	<u>Firm's Share</u>
Accounts Payable Transaction Review	80.5%	19.5%
Contract Compliance Review	77%	23%

Recovery is defined as follows: (1) refund checks received by Client from Client's vendors solely as a result of Firm's efforts, (2) credit memos furnished to Client by Client's vendors which were identified by Firm and not previously recorded in Client's general ledger, (3) accounting entries or offsets reducing accrued liabilities which are identified by Firm during its review of Client's Data Files and approved by Client during the Term.

Client agrees to process all validated recoveries through its system within seven (7) business days from date of receipt by Firm. Firm will invoice Client only after Client has recorded the recovery. Invoices submitted by Firm will contain complete supporting details. Invoices are due upon receipt. The payment rates are based on the Scope of Services described above. Client agrees that it will not disclose any elements of this fee structure to any other third parties.

3. CONFIDENTIAL INFORMATION

Firm shall preserve as confidential all information pertaining to Client's operations and all technical, financial and proprietary information obtained from Client in the performance of this Agreement. The Firm will not take any original Client documentation off the Client's premises. Due to the proprietary nature of Firm's reports and audit tools, Client agrees not to disclose, distribute or disseminate them to any third parties without Firm's prior written consent and to use them solely for Client's own internal purposes.

4. TERMINATION

Either party upon thirty (30) days written notice to the other party may terminate this Agreement. In the event of termination, all items presented to and validated by Client prior to termination are subject to compensation after Client's recovery even if actual recovery of that item occurs after the effective date of termination. Firm, however, has no right to claim compensation on any items that have not been validated prior to the effective date of termination, even if they were presented to Client for validation prior to that date.

5. REPORTS

Firm shall furnish reports to Client as outlined in RFP# 7024762 Appendix A, when requested, in such form, detail and number as may be required by Client, concerning activities of Firm under this Agreement, and shall make a final report or reports as may be required by Client.

6. ADDITIONAL TERMS AND CONDITIONS

Firm agrees to perform the Services solely as an independent contractor. The parties to this Agreement recognize that this Agreement does not create any partnership or relationship of employer and employee between the parties. Firm is not authorized to enter into or commit Client to any agreements. Client shall exercise immediate control of the means or manner of Firm's performance under this Agreement.

Client shall not be liable for workers' compensation, unemployment insurance, employers' liability, employer's FICA, social security, withholding tax, or other taxes or withholding for or on behalf of Firm or any of its employees or any other person, persons, firms or corporations consulted or employed by Firm in performing services under this Agreement.

Firm represents and warrants that: (a) it has the full power and authority to enter into and perform this Agreement; and (b) it will conduct all of its efforts on behalf of Client in compliance with all applicable federal, state and local laws, rules and regulations and it will not act in a manner that reflects unfavorably on Client or Client's goodwill.

This Agreement shall be governed and construed in accordance with the laws of the State of Rhode Island and Providence Plantations.

This agreement may be returned to Firm by facsimile transmission, in which case the signed facsimile shall be deemed an original.

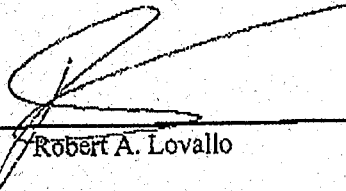
There will be no fee due from Client unless the funds, or any part of them, are recovered by Firm on behalf of Client.

This Agreement is the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior discussions, arrangements, understandings and agreements between the parties. Any modifications to this agreement must be in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date written below. Each person signing this Agreement represents and warrants that such person is fully authorized to execute and enter into this Agreement on behalf of the company named above his or her signature.

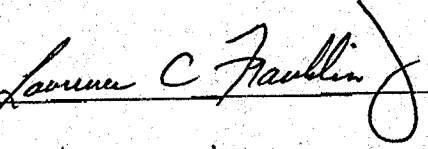
Accepted by:

Pinpoint Profit Recovery Services, Inc.

Name 
Robert A. Lovallo
Title CEO & Managing Partner
Date 12/10/07

Accepted by:

State of Rhode Island and Providence Plantations

Name 
Lawrence C. Franklin
Title State Controller
Date January 7, 2008

Contract Terms and Conditions

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Terms and Conditions

PURCHASE ORDER STANDARD TERMS AND CONDITIONS

TERMS AND CONDITIONS FOR THIS PURCHASE ORDER

PURCHASE AGREEMENT AWARD

THIS IS A NOTICE OF AWARD, NOT AN ORDER. Any quantity reference in the agreement or in the bid preceding it are estimates only and do not represent a commitment on the part of the state to any level of billing activity, other than for quantities or volumes specifically released during the term. No action is to be taken except as specifically authorized, as described herein under AUTHORIZATION AND RELEASE. ENTIRE AGREEMENT - This NOTICE OF AWARD, with all attachments, and any release(s) against it shall be subject to: (1) the specifications, terms and conditions set forth in the Request/Bid Number cited herein, (2) the General Terms and Conditions of Contracts for the State of Rhode Island and (3) all provisions of, and the Rules and Regulations promulgated pursuant to, Title 37, Chapter 2 of the General Laws of the State of Rhode Island. This NOTICE shall constitute the entire agreement between the State of Rhode Island and the Vendor. No assignment of rights or responsibility will be permitted except with the express written permission of the State Purchasing Agent or his designee. CANCELLATION, TERMINATION and EXTENSION - This Price Agreement shall automatically terminate as of the date(s) described under CONTRACT PERIOD unless this Price Agreement is altered by formal amendment by the State Purchasing Agent or his designee upon mutual agreement between the State and the Vendor.

PARTIAL PAYMENTS

PARTIAL OR PROGRESS PAYMENTS MAY BE MADE. PAYMENT WILL BE AUTHORIZED UPON RECEIPT AND ACCEPTANCE BY THE AGENCY OF THE PORTION OF THE CONTRACT OR PURCHASE ORDER COMPLETED BY THE VENDOR. PAYMENT UPON THE RENDERING OF A PROPERLY SUBMITTED INVOICE.

AUTHORIZATION AND RELEASE

In no event shall the Vendor deliver goods or provide service until such time as a duly authorized release document is certified by the ordering Agency. A Direct Purchase Order (DPO) shall be created by the agency listing the items ordered, using the pricing and format set forth in the Master Blanket. All pricing shall be as described in the Master Blanket and is considered to be fixed and firm for the term of the Agreement, unless specifically noted to the contrary herein. All prices include prepaid freight. Freight, taxes, surcharges, or other additional charges will not be honored unless reflected in Master Blanket.

MULTI YEAR AWARD

THIS IS A MULTI-YEAR BID/CONTRACT. PER RHODE ISLAND STATE LAW 37-2-33, CONTRACT OBLIGATIONS BEYOND THE CURRENT FISCAL YEAR ARE SUBJECT TO AVAILABILITY OF FUNDS. CONTINUATION OF THE CONTRACT BEYOND THE INITIAL FISCAL YEAR WILL BE AT THE DISCRETION OF THE STATE. TERMINATION MAY BE EFFECTED BY THE STATE BASED UPON DETERMINING FACTORS SUCH AS UNSATISFACTORY PERFORMANCE OR THE DETERMINATION BY THE STATE TO DISCONTINUE THE GOODS/SERVICES, OR TO REVISE THE SCOPE AND NEED FOR THE TYPE OF GOODS/SERVICES; ALSO MANAGEMENT OWNER DETERMINATIONS THAT MAY PRECLUDE THE NEED FOR GOODS/SERVICES.

CAMPAIGN FINANCE COMPLIANCE

EVERY PERSON OR BUSINESS ENTITY PROVIDING GOODS OR SERVICES AT A COST OF \$5000 CUMULATED VALUE IS REQUIRED TO FILE AN AFFIDAVIT REGARDING POLITICAL CAMPAIGN CONTRIBUTIONS WITH THE RI STATE BOARD OF ELECTIONS EVEN IF NO REPORTABLE CAMPAIGN CONTRIBUTIONS HAVE BEEN MADE. (RI GENERAL LAW 17-27) FORMS OBTAINED AT BOARD OF ELECTIONS, CAMPAIGN FINANCE DIVISION, 50 BRANCH AVENUE PROVIDENCE 02904 (401-222-2056).

TERMS AND CONDITIONS OF PRICING AGREEMENT

SCOPE AND LIMITATIONS - This Agreement covers requirements as described herein, ordered by State agencies during the Agreement Period. No additional or alternative requirements are covered, unless added to the Agreement by formal amendment by the State Purchasing Agent or his designee.

Under State Purchasing Law, 37-2-54, no purchase or contract shall be binding on the state or any agency thereof unless approved by the department [of administration] or made under general regulations which the chief purchasing officer may prescribe. Under State Purchasing Regulation 8.2.1.1.2, any alleged oral agreement or arrangements made by a bidder or contractor with any agency or an employee of the Office of Purchases may be disregarded and shall not be binding on the state.

PRODUCT ACCEPTANCE - All merchandise offered or otherwise provided shall be new, of prime manufacture, and of first quality unless otherwise specified by the State. The State reserves the right to reject all nonconforming goods, and to cause their return for credit or replacement, at the State's option.

- a) Failure by the state to discover latent defect(s) or concealed damage or non-conformance shall not foreclose the State's right to subsequently reject the goods in question.
- b) Formal or informal acceptance by the State of non-conforming goods shall not constitute a precedent for successive receipts or procurements.

Where the vendor fails to cure the defect promptly or replace the goods, the State reserves the right to cancel the Release, contract with a different vendor, and to invoice the original vendor for any differential in price over the original contract price.

ORDER AUTHORIZATION AND RELEASE AGAINST PRICING AGREEMENT

In no event shall the Vendor deliver goods or provide service until such time as a duly authorized release document is certified by the ordering Agency.

State Agencies shall request release as follows: All releases shall reference the Price Agreement number, the Contract Issue number, the item(s) covered, and the unit pricing in the same format as described herein.

A Department Purchase Order (DPO) listing the items ordered shall be created by the agency. The agency may mail or fax a copy of the order to the Vendor. In some cases the agency may request delivery by telephone, but must provide the Vendor with a DPO Order Number reference for billing purposes. Vendors are encouraged to require written orders to assure payments are processed accurately and promptly.

DELIVERY If this is an MPA, Vendor will obtain "ship to" information from each participating agency. This information will be contained in the DPO. APA delivery information will be contained in the Notice of Award.

PRICING - All pricing shall be as described herein, and is considered to be fixed and firm for the term of the Agreement, unless specifically noted to the contrary herein. All prices include prepaid freight. Freight, taxes, surcharges, or other additional charges will not be honored unless reflected herein.

INVOICING All invoices shall reference the DPO Order Number(s), Price Agreement number, the Contract Issue number, the item(s) covered, and the unit pricing in the same format as described herein. If this is an MPA, Vendor will obtain "bill to" information from each participating agency. This information will be contained in the DPO. APA billing information will be contained in the Notice of Award.

PAYMENT - Invoices for items not received, not priced according to contract or for work not yet performed will not be honored. No payment will be processed to any vendor for whom there is no IRS W-9 on file with the State Controller.